

17 OCT 1962

MEMORANDUM FOR THE RECORD

SUBJECT: CIA Supergrade Increases

1. At the request of Mr. Robert Amory, Bureau of the Budget, representatives of the major Agency components met with him on the afternoon of 9 October to discuss the proposed increases in the number of supergrades in the Agency. The following were in attendance:

Mr. Robert Amory, Bureau of the Budget

Mr. Don Smith, Bureau of the Budget

Col. L. K. White, Deputy Director (Support)

Mr. H. Cates Lloyd, Assistant Deputy Director (Support)

Mr. Everett D. Echols, Director of Personnel

Mr. Huntington Sheldon, Assistant Deputy Director (Intelligence)

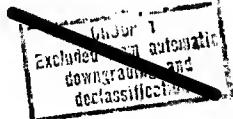
[Redacted] Assistant Deputy Director (Plans)
[Redacted] Director

Budget Division, Office of the Controller
Executive Assistant, Deputy Director (Research)

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2. Mr. Amory opened the discussion by explaining that he was in general sympathetic with CIA's need to increase its supergrade structure and had no intention of trying to tell the Agency what it could and could not do. He did want to observe, however, that the statistical comparisons used by the Agency in the presentation of its case were "obviously selected with care," whereupon he proceeded to cite various other agencies, primarily within the intelligence community such as NSA and the various other Department of Defense intelligence components, wherein the ratio of supergrades to total civilian population is less favorable than that now existing within the CIA. (While not mentioned during the meeting, it may be observed that these figures in fact show that the entire intelligence community may be undergraded.)

3. Mr. Amory explained that he was not desirous of attacking the CIA case but that in the interest of perspective and balance, there were some appropriate factors to be considered on the other side of the question and in opposition. He agreed that he felt CIA should be in the forefront of the parade, but felt that in CIA's own best interest it should be careful not to get too far ahead of the over-all parade. It was his further sentiment that CIA's proposed supergrade expansion was conceived and developed at a time when salary relief did not seem possible in any other way, and at a time when no basic improvements in the Agency grade structure had been made for a prolonged period. Since the development and submission of the proposal, Mr. Amory felt that many of the needs of the Agency may have been satisfied by the recent Congressional action to improve on an immediate and continuing basis the salary scales at the Grades 13, 14



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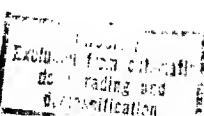
and 15 level. If so, our justification for going so extensively into the supergrade category may no longer be fully valid. Specifically, he felt that the reserve pools of supergrades were particularly vulnerable and in his first remark suggested that these should be scratched from the plan. Upon further discussion, however, he concluded that supergrades for the non-executive specialist of outstanding qualifications was not without merit and that a limited number may indeed be appropriately utilized. He made clear that he felt this number should, however, be small and selected with extreme care.

4. Mr. Amory's comments indicated less concern for such positions (reserve) in the DD/P than in the DD/I. Insofar as the DD/I is concerned where these reserve positions were intended to recognize expertise in the analytical and professional fields, it was his general conviction that the salary scale of the GS-15 under the new pay scale was quite competitive with universities, research institutes and the general run of private business and industry. He recognized the need for some additional flexibility within the DD/P particularly as it applied to Chiefs of Stations or other similar personnel assigned abroad in the many current troubles and hot spots around the world where a great deal of personal responsibility is involved. He urged, however, that care be taken not to assign Station Chiefs who are higher in the grade structure than their ostensible superiors in the structure of the cover organization.

5. In a brief discussion of the salary problems as they relate to scientific and technical personnel and the particular status and requirements of the DD/R, Mr. Amory observed that this was a different and more difficult salary area and it was his impression that the DD/R's requests were entirely reasonable, that he had no questions or reservations concerning them at all. He recognized the Agency's authority to fix salaries as needed and that in some such hard-to-get categories this practice may be necessary. He also suggested that it might be useful for the Agency to exercise its authority to bring hard-to-get categories at the tops of grades 14 or 15 rather than at the bottom of the supergrade level.

6. With respect to the normal executive supergrade position, Mr. Amory suggested that the Agency may have equated the FSO-2 level too closely with the GS-16 level. He pointed out that under the new pay bill the salary range at the GS-15 level embraces at least part of that of the FSO-2 and inferred that a review of our new GS-16 positions might disclose some which more properly should be at the GS-15 level.

7. In summary, it seemed apparent that the Bureau of the Budget was in novice hostile to the proposed expanded supergrade structure of CIA and intend generally to endorse the plan. It was equally apparent, however, that the Bureau was anxious that CIA not overlook the important advances established in the new pay bill and that not too hasty expansion into the supergrades be made.



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8. It was also apparent that the substantial pools of unspecified super-grade positions are the least attractive feature of our supergrade plan insofar as the Bureau is concerned. A reduction in the number of the pool positions and a cautious and thoughtful implementation of the plan was the main objective behind Mr. Avery's admonitions.

[s.] Bennett D. Nichols
Bennett D. Nichols
Director of Personnel

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DD/R/ [redacted] :hc (16 Oct 62)

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